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IOWA DEPARTMENT OF NATURAL RESOURCES

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For immediate release

1. OSWAP loan program surpasses one million dollars in septic system loans

OSWAP LOAN PROGRAM SURPASSES ONE MILLION DOLLARS IN SEPTIC SYSTEM LOANS

MASON CITY – With the completion of a septic system update near Mason City last week, the DNR's Onsite Wastewater Systems Assistance Program (OSWAP) surpassed one million dollars in septic system loans to rural Iowa homeowners. Since its inception in July of 2002, the program has completed 178 loans in 50 counties, at an average of \$5,600 per loan, for a total of \$1,000,519 in loans.

OSWAP offers low-interest loans, at a maximum rate of 3 percent, through participating local lenders to homeowners who need to replace failing or inadequate septic systems. With an estimated 100,000 substandard septic systems in Iowa, replacement of those systems is key to improving Iowa's water quality.

The owner of the updated septic system, Rob Heimbuch of rural Mason City, received an OSWAP loan through the First National Bank of Mason City. The new septic system, installed by local contractor Rex Liekweg, was permitted and inspected by the Cerro Gordo County Health Department.

The septic system includes a 1,000-gallon septic tank, followed by 300 feet of soil absorption laterals that provide secondary treatment of household wastewater. It replaces an inadequate septic system with a collapsed septic tank that discharged untreated wastewater into an agricultural tile line. Septic tank discharges to open ditches, ravines, and underground tiles are illegal in Iowa.

“Both inadequate and failing systems can pollute groundwater and surface waters with nitrates, viruses and bacteria, such as *E. coli*, all of which are present in domestic sewage that carries human waste,” said Steve Hopkins, DNR environmental specialist. “These systems pose a particular threat to children, as well as adults with compromised immune systems, who are exposed to untreated wastewater. Children can come into direct contact

with untreated sewage when they play in road ditches, backyards or creeks that have illegal septic tank outlets piped to them.”

OSWAP loans are available for homeowners with existing homes located in unincorporated areas, for loans of between \$2,000 and \$10,000, for a maximum repayment period of 10 years. To qualify for an OSWAP loan, applicants must first obtain a septic permit from the county sanitarian, then apply for a loan through a participating lender. Lenders may reject an application if the applicant cannot demonstrate an ability to repay the loan.

After a participating lender approves the loan, the new septic system can be installed and inspected by the county sanitarian. The OSWAP financial agent then transfers a deposit from the Onsite Wastewater Assistance Fund (OSWAF) to the local lender to subsidize the loan interest rate. The homeowner then repays the lender for the loan.

The OSWAF is a revolving loan fund authorized by the Iowa Legislature and funded by state appropriations and the U.S. Environmental Protection Agency Clean Water Act. For information about participating lenders and counties, visit the OSWAP Web page at www.onsiteiowa.com.

For more information, contact Stephen Hopkins, DNR environmental specialist, at (515) 725-0346, or your county sanitarian.

NOTE TO EDITORS: Photos of the installation of the Cerro Gordo County septic system are available by contacting Jessie Rolph at (515) 281-5131.